

Martin Gas Inc.

APPENDIX B

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Quarterly Report of Gas Cost
Recovery Rate Calculation

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SEP 09 2010

PUBLIC SERVICE
COMMISSION

Date Filed:

SEPTEMBER 1, 2010

2010-00360

Date Rates to Be Effective:

OCTOBER 1 2010

Reporting Period is Calendar Quarter Ended:

JUNE 30 2010

606-785-0761

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Componet</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.0000
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	0.0899
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		5.0899

GCR to be effective for service rendered from OCTOBER 1 2010 to NOVEMBER 31 2010

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	203920.82
	+ <u>Sales for the 12 months ended</u> <u>06-30-10</u>	Mcf	<u>40069.47</u>
	= Expected Gas Cost (ECG)	\$/Mcf	5.0000

B.	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Supplier Refund Adjustment for Reporting Period (SHC. III)	\$/Mcf	
	+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ <u>Third Previous Quarter Supplier Refund Adjustment</u>	\$/Mcf	
	= Refund Adjustment (RA)	\$/Mcf	

C.	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	0.0701
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0188
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0005
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	0.0005
	= Actual Adjustment (AA)	\$/Mcf	0.0899

C.	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	
	+ Previous Quarter Reported Balance Adjustment	\$/Mcf	
	+ Second Previous Quarter Balance Adjustment	\$/Mcf	
	+ <u>Third Previous Quarter Balance Adjustment</u>	\$/Mcf	
	= Balance Adjustment (BA)	\$/Mcf	

SCHEDULE II

EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended 06-30-10

<u>Supplier</u>	<u>Date</u>	<u>MCF</u>	<u>Rate</u>	<u>Cost</u>
	7/31/2009	877.98	5.02099	4408.33
	8/31/2009	1054.00	5.00000	5270.00
	9/30/2009	1288.27	5.00088	6442.49
	10/31/2009	2025.88	5.04208	10214.64
	11/30/2009	3646.94	5.05091	18420.36
	12/31/2009	5296.84	5.08711	26945.61
	1/31/2010	7709.71	5.15872	39772.25
	02/28/2010	6954.24	5.12983	35674.09
	03/31/2010	4577.69	5.13410	23502.30
	04/30/2010	4094.12	5.01342	20525.56
	05/31/2010	1377.80	5.01901	6915.19
	06/30/2010	1166.00	5.00000	5830.00
Totals		40069.47	5.089	203920.82

Line loss for 12 months ended 06-30-10 is -0.02380 based on purchases of
40069.47 Mcf and sales of 39116.00 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	203920.82
+ <u>Mcf Purchases (4)</u>	Mcf	<u>40069.47</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.089
<u>X Allowable Mcf Purchases (must not exceed Mcf sales + .95</u>	Mcf	<u>40069.47</u>
= Total Expected Gas Cost (to Schedule IA)	\$	203920.82

* Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

**Supplier's tariff sheets or notices are attached.

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended MARCH 31 2010

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>01-31-10</u>	<u>Month 2</u> <u>02-28-09</u>	<u>Month 3</u> <u>03-31-10</u>
Total Supply Volumes Purchased	Mcf	7709.71	6954.24	4577.69
Total Cost of Volumes Purchased	\$	39772.25	35674.09	23502.30
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	7709.71	6954.24	4577.69
<hr/>				
= Unit Cost of Gas	\$/Mcf	5.16	5.13	5.13
- EGC in effect for month	\$/Mcf	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>
= Difference [(over-)/Under-Recovery]	\$/Mcf	0.159	0.130	0.134
<u>x Actual sales during month</u>	Mcf	<u>7709.71</u>	<u>6954.24</u>	<u>4577.69</u>
<u>= Monthly cost difference</u>	\$	1223.70	902.89	613.85

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	2740.44
<u>+ Sales for 12 months ended 06-30-10</u>	Mcf	39116.00
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	0.0700593